



North County Watch

Looking Out Today For Tomorrow

State Water Resources Control Board
Division of Water Rights
Attn: Sarah Sugar
P.O. Box 2000,
Sacramento, CA 95812-2000.

Sent VIA EMAIL: Sarah.Sugar@waterboards.ca.gov
April 29, 2016

RE: Comment Letter – Groundwater Recharge

Dear Sarah Sugar,

Thank you for the opportunity to comment on temporary permits for groundwater recharge.

We support the comments submitted by Sierra Club California addressing water flows sufficient for salmonid populations.

In addition, we wish to comment on the fee structure. Your webcast on April 26th was very informative. We recognize the problem of setting fees for a permit for storm water capture that may not result in any ability to divert due to the variability of rain events. However, the potential value to the permittee warrants reasonable fees that cover staff time. We believe there is a need to analyze cost/benefit. Using the Yolo district experience, we believe there is sufficient evidence that passing on staff time costs are reasonable.

In round numbers according to the webcast, Yolo captured 11,000 af. Ballpark staff time cost to process the permit was \$20,000. If Yolo had paid staff costs (\$20,000), Yolo's cost per acre foot of captured water would have equaled \$2 and acre foot. Adding in Yolo staff time at \$20,000, the cost per acre foot rises to only \$4 af, ridiculously below the value of the water which can vary between hundreds to thousands of dollars in benefit to the district overlies. We appreciate that the Yolo permit is an example of a true public benefit in that all overlies benefitted from the recharged aquifer.

There needs to be some parity between what SWB staff expends and the economic benefit to the permittee. For example, if an applicant applies for a permit and hopes to capture 100,000 af of water, the upfront cost could start at a nonrefundable 10% of the proposed capture (\$10,000). If staff time bills out at \$20,000, when the permittee captures 15,000 af of water, he

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is responsible for an additional payment of \$5,000, and an additional \$5,000 at the time that 20,000 af is captured. The permittee's costs are capped at estimated staff costs plus reasonable overhead if that is tracked. Even at \$20,000 the water is a bargain and the initial 10% is well worth the risk to the permittee compared to the potential benefit.

If the value of an acre foot of water was modestly assumed to be between \$50-100, the permittee could alternately be charged on the basis of 10% of staff time cost up front (\$2,000) and the remainder (\$18,000) when 400 af had been captured ($\$50 \times 400\text{af} = \$20,000$) or with a value of \$100 af when 200 af had been captured.

We appreciate that there is a level of risk for the permittee that no water will be captured but there must be recognition of the intrinsic value of the captured water and the need to fund staff time. The residents of California shouldn't have to pick up the costs lost in issuing a temporary permit. A tiered billing system based on benefit received shares the risk and should be possible.

We do not support the issuance of a temporary permit that lasts longer than the 180 days. There may be room for a temporary permit to be renewed based on a less stringent review but variable rain fall and environmental requirements for fisheries, in particular, require careful annual review.

North County Watch is a 501c3 public benefit corporation committed to balanced and responsible development in and around northern San Luis Obispo County. Its purpose is to promote economic and environmental policies that maintain and enhance the uniqueness of our community.

Thank you for your consideration of our comments.



Susan Harvey, President
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